INDAKA MUNICIPALITY

ANNUAL DRAFT BUDGET

2015/2016 TO 2017/2018 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- *In the foyers of all municipal buildings*
- *In the library of the municipality*
- *Website: www.indaka.gov.za*

Table of Contents

Part	Section description	Page
	List of figures, tables and annexures	**3- 4**
	Glossary	**5-6**
Part1	**Annual Budget**	
1	Mayors Report & Resolutions	**8-12**
2	Executive summary	**12-17**
3	Annual budget tables	**18**
Part 2	**Supporting documentation**	
4	Overview of annual budget process	**19-21**
5	Overview of the Integrated Development Plan	**21-22**
6	Measurable performance objectives and indicators	**23**
7	Overview of budget-related policies	**24**
8	Overview of budget assumptions	**25-29**
9	Overview of budget funding	**30-33**
10	Expenditure on allocations and grant programs	**34**
11	Allocations and grants	**35**
12	Monthly targets for revenue, expenditure and cash flow	**35**
13	Councillor allowances and employee benefits	**36**
14	Annual budgets and service delivery and budget implementation plans – internal departments	**37**
15	Contracts having future budgetary implications	**37**
16	Reconciliation of IDP strategic objectives and capital budget	**38**
17	Legislation compliance status	**39**
18	National Treasury directives	**39**
19	Capital expenditure details	**39-40**
Part 3	**Other supporting documents**	**41-52**
Part 4	**Service Delivery Standards**	

A. LIST OF FIGURES, TABLES AND ANNEXURES

No	Description
Table A1	Budget Summary (Table A1)
Table A2	Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2+A2A)
Table A3	Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3+A3A)
Table A4	Budgeted Financial Performance (Revenue and Expenditure) (Table A4)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding (Table A5+A5A)
Table A6	Budgeted Financial Position (Table A6) 22
Table A7	Budgeted Cash Flows (Table A7) 23
Table A8	Cash backed reserves/accumulated surplus reconciliation (Table A8)
Table A9	Asset Management (Table A9)
Table A10	Basic service delivery measurement (Table A10)
Table SA1	Supporting detail to "Budgeted Financial Performance"
Table SA2	Matrix Financial Performance Budget (revenue source / expenditure type and dept.)
Table SA3	Supporting detail to "Budgeted Financial Position"
Table SA4	Reconciliation of IDP strategic objectives and budget (Revenue)
Table SA5	Reconciliation of IDP strategic objectives and budget (Operating expenditure)
Table SA6	Reconciliation of IDP strategic objectives and budget (Capital expenditure)
Table SA7	Measurable performance objectives
Table SA8	Performance indicators and bench marks
Table SA9	Social, Economic and Demographic statistics and assumptions
Table SA10	Funding measurements
Table SA11	Property rate summary
Table A12a	Property rates by category (current year)
Table SA12b	Property rates by category (budget year)
Table SA13	Service Tariffs by category
Table SA14	Household bills
Table SA15	Investment particulars by type
Table SA16	Investment particulars by maturity
Table SA17	Borrowing
Table SA18	Transfers and grant receipts
Table SA19	Expenditure on transfers and grant program
Table SA20	Reconciliation of transfers, grant receipts and un-spend funds
Table SA21	Transfers and grants made by the Municipality
Table SA22	Summary councillor and staff benefits
Table SA23	Salaries, allowances & benefits (political office bearers/ councillors/senior managers)
Table SA24	Summary of personnel numbers
Table SA25	Budgeted monthly revenue and expenditure
Table SA26	Budgeted monthly revenue and expenditure (municipal vote)
Table SA27	Budgeted monthly revenue and expenditure (standard classification)
Table SA28	Budgeted monthly capital expenditure (municipal vote)
Table SA29	Budgeted monthly capital expenditure (standard classification)
Table SA30	Budgeted monthly cash flow
Table SA31	N/A

Table SA32	List of external mechanisms
Table SA33	Contracts having future budgetary implications
Table SA34a	Capital expenditure on new assets by assets class
Table SA34b	Capital expenditure on the renewal of existing assets by assets class
Table SA34c	Repairs and maintenance expenditure by assets class
Table SA34d	Depreciation by asset class
Table SA35	Future financial implications of the capital budget
Table SA36	Detailed capital budget
Table SA37	Projects delayed from previous financial years

Annexure 1	Multi Year Capital Appropriations By Vote
Annexure 2	Tariffs, Fees and Charges Book
Annexure 3	Rates Policy
Annexure 4	Asset Management policy
Annexure 5	Draft Credit Control and Debt Collection Policy and By-laws
Annexure6	Banking and Investments.
Annexure 7	Integrated Development Plan
Annexure 8	Opex by line item.
Annexure 9	DORA/Provincial grants
Annexure 10	SCM. policy
Annexure 11	Budget policy

B. GLOSSARY OF TERMS AND ABBREVIATIONS

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.

Budget Steering committee – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short-term investments.

CPI – Headline Consumer Price Index

DMTN – Domestic Medium Term Note

DORA – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

DORb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

Executive Management Team – A team comprising the Municipal Manager and the Directors. It reports to the Municipal Manager.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a

municipality. **KPI** – Key Performance Indicators. Measures of service output and/or

outcome.

MFMA - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

MYPD – Multi Year Price

Determination **NT** – National

Treasury

Operating Expenditure – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Portfolio Committee – In line with Section 79 of the Structures Act, the Municipality's Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SCM - Supply Chain Management

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Vote – One of the main segments into which a budget is divided, usually at directorate level.

Part 1 – Draft Annual Budget

1.1 Mayor's Report

During the State of the National Address the President remarked that the National Planning Commission had handed over the National Development Plan and the vision of the country for the next 20 years. This plan contains proposals for tackling the problems of poverty, inequality and unemployment. It is a roadmap to where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. The achievement of these goals has proven difficult due to the global economic recession.

The President further stated that government is cracking down on corruption, tender fraud and price fixing in the infrastructure program. Government will be working together to find a solution to youth unemployment by making use of the Expanded Public Works Programme and the Community Work Programme to absorb young people.

We must ensure that the public services we provide our community today can continue to be provided to our people tomorrow. This requires that we have suitable tax policies in place to generate sufficient revenue to pay for these services.

Whilst rural development remain a priority of government, it is crucial that a national integrated urban development framework is developed to assist municipalities to effectively manage rapid urbanisation.

Management within local government has a significant role to play in strengthening the link between the community and governments overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Indaka Local Municipality.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities.

The challenge is to do more with the limited resources available. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We need to work together for a common vision that connects the past to the present to make a better future possible. Change is not just a challenge to government but affects all of society. A new framework for development is an opportunity to unite around an inclusive vision and join hands in constructing a shared future. Working together we can all do better.

Minister Gordhan in the overview of the budget mentioned the following points that are relevant to our budget:

- There are signs of improvement in the world economy, though the outlook remains troubled.
- South Africa‟s economy has continued to grow, but at a slower rate.
- The budget takes the National Development Plan as its point of departure. The strategic plans of government and the medium-term expenditure plans will be aligned to realise our objectives.
- Government remains committed to a large scale infrastructure investment program.
- A new local government equitable share formula is proposed, providing a subsidy for free basic services designed to reach 59% of households.

We need to invest in infrastructure, raise productivity, create jobs and raise living standards.

While building on our strengths we have to tackle our weaknesses aggressively by professionalising our services and strengthening our accountability. Improving management and enforcing systems to fight corruption.

Improved planning and management of strategic infrastructure projects. By implementing this we can assist in reducing poverty and inequality and this in turn will raise employment and investment into Indaka Local Municipality. development within the area must be coupled with fiscal sustainability, which ensures that progress made will not be interrupted or reversed.

Government continues to direct spending towards environmental programmes, such as installing solar water geysers, procuring renewable energy, cleaning up derelict mines, addressing acid mine drainage, supporting our national parks and saving our rhino population who remain under threat.

The integrated national electrification grant is allocated additional funding to increase the number of new electricity connections over the next three years. The solar water geyser program will also continue until 2015/16.

Money has been taken away from programmes that are not performing or are not aligned to government‟s core priorities and given to programmes that are delivering as planned.

The application of sound financial management principles for the compilation of the municipality‟s financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitable to all communities. We must ensure value for money with the greatest possible vigour to ensure rate payers money is well used and not wasted.

On tabling the KZN Provincial Budget, MEC for Finance Ms Ina Cronje mentioned a budget is not just about numbers it also expresses our values and aspirations. Balancing the long and short term is what management is about being able to curtail deficits yet encouraging economic expansion and ensuring sustainable service delivery to all our citizens. The drafting of a budget is an act of humans based on economic projections and predictions requiring careful calculations.

The Provincial priorities are that all new spending is funded through reprioritisation of funds by departments and identification of savings. To ensure sustainability and the promotion of growth the composition of spending has shifted in favour of greater spending on infrastructure and away from consumption spending.

To this the MEC announced the following ways of cutting down on wasteful expenditure:

- A review of all organograms, a head count exercise and a moratorium on the filling of non-critical posts.
- Officials to travel together unless absolutely unavoidable. Where there are same day meetings and where possible officials travel there and back in one day to cut down unnecessary overnight accommodation planning sessions, workshops be held in departmental offices instead of private venues. At these meetings no catering or bottled water may be procured.
- Essential training to be done in-house.
- No team building exercises or year-end/Christmas functions.
- Overtime to be strictly controlled and only used when absolutely essential.

In conclusion the MEC emphasised we need discipline to spend on budgets, obtain clean audits, eliminate unnecessary costs and wastage, get value for money: doing more with less, deal with corruption and deliberate wrong-doing, eliminate unauthorised and irregular expenditure.

One of the priorities is to invest into our infrastructure which is ageing and needs to be updated and maintained. To achieve this we have to improve and encourage investment into the area. We also have to support job creation with focus on unemployed youth who are the future of Indaka Local Municipalityi, to this extent R 1 million has been allocated by National Treasury to the Expanded Works Program.

One of the focus points of the budget this year is to improve the efficiency of the municipality by redirecting spending to priority areas. Department"s budgets have been cut in selected areas and funds shifted towards the key priorities.

NGIYABONGA

THANK YOU

1.2 Council Resolutions

On 27 MARCH 2015 the Council of Indaka Local Municipality met to consider the draft annual budget of the municipality for the financial year 2015/2016.

The council approved and adopted the following resolutions:

1. The Council of Indaka Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

   The draft annual budget for the financial year 2015/2016; and the multi-year and single-year capital appropriations as set out in the following tables:

   a) *Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2*
   b) *Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3*
   c) *Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4*
   d) *Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5*

2. The financial position, cash flow budget, cash-backed reserve/accumulates surplus, asset management and basic service delivery targets are approved as set out in the following tables:

   a) *Budgeted Financial Position as contained in Table A6*

   b) *Budgeted Cash Flows as contained in Table A7*

   c) *Cash backed reserves and accumulated surplus reconciliation as contained in Table A8*
   d) *Asset management as contained in Table A9; and*

   e) *Basic service delivery measurement as contained in Table A10.*

3. The Council of Indaka Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:

   3.1 the tariffs for property rates – as set out in Annexure 6

   3.2 the tariffs for refuse removal (solid waste)- as set out in Annexure 6

4. the tariffs for other services, as set out in Annexure 6

5. To give proper effect to the municipality's draft annual budget, the Council of Indaka Local Municipality approves:

a) *That cash backing is implemented through the utilization of a portion of the revenue generated from property rates to ensure that all provisions and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.*

b) *Assessment (property) rates*
c) *Draft Budget Policy*
d) *Asset management policy.*
e) *Draft Credit Control and Debt Collection Policy.*
f) *Integrated Development Plan.*
g) *Banking and investment policy.*
i) *SCM Policy*
j) *Virement Policy*

6. *The Council of Indaka Local Municipality approves and adopts the service level standards as contained in the table attached in terms of National Treasury MTREF Circular 75.*

7. Service Delivery Plans / Business Plans with measurable targets to be approved by the Mayor within 28 days after the approval of the budget.

8. The National Treasury Circular 75 ("Municipal Budget Circular for the 2015/2016 MTREF") is annexed to this report for noting.

2. EXECUTIVE SUMMARY

a. General

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-essential and 'nice-to-have' items. 2015/16 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The budget for the 2015/16 MTREF period was based on the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51,58,59,66,67,72,74 & 75) - "...*over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritized so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and Councils need to remain focused on the effective delivery of core municipal services...."*

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community.

The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

National Treasury MFMA Circular 75 were used to guide the compilation of the 2015/2016 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarized as follows:

- The ongoing difficulties in the local economy
- Ageing roads and infrastructure
- The need to prioritize projects and expenditure within the existing resources available.
- Affordability of capital projects.
- Wage increases for municipal staff that continued to exceed consumer inflation as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the

2015/16 MTREF:

- The 2014/15 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget.
- Service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff and property rate increases should be affordable and try not to exceed inflation as measured by the CPI.
- No budget has been allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the Division of Revenue Act gazette.

In the view of the aforementioned, the following the table is a consolidated overview of the proposed 2015/2016 Medium-term Revenue and Expenditure Framework.

	2014/2015 Budget R	2015/2016 Budget R	Year on year
Total Operating Revenue	(101,521,788)	(120,569,236)	-18.76%
Total Operating Expenditure	57,759,902	60,488,761	4.72%
(Surplus)/Deficit for the year	(43,761,886)	(60,080,475)	-37.28%
Total Capital Expenditure	43,562,000	60,016,000	37.77%

b . Operating Budget

Expenditure

Total operating expenditure increased from R 57,759 million in 2014/15 to R60,488 million in 2015/16. The overall growth of R2,729 million (4.72%) can be attributed to increases on several expenditure components.

Examples of these are:

	2014/2015 Budget R	2015/2016 Budget R	Year on year
Employee related costs	11,917,642,	11,910,611	-0.05%
Remuneration of Councilors	5,784,952	6,088,900	5.25%
Depreciation	11,125,000	13,000,000	16.85%
General Expenditure	26,732,308	27,361,250	2.35%
Repairs and Maintenance	1,200,000	1,128,000	-6.00%
Other expenditure	1,000,000	1,000,000	0.0%
Total Expenditure	**57,759,902**	**60,488,761**	**4.72%**

Reasons for significant variances:

Employment related costs – The decrease results from the merger with Ladysmith where the filling of vacant and new positions is not allowed.

Remuneration of Councilors -- The increase results from the provision for an increase.

Depreciation & Asset Impairment – The increase results from the adjusted (reduced) life span of certain asset classes and the depreciation impact of major projects as well as the revaluation of certain asset classes to comply with the GRAP standards.

General Expenditure - The increase results from increases in various areas.

Repairs and maintenance – The decrease results from the fact that rehabilitation of existing roads form part of the capital budget.

Other expenditure – This expenditure component is for free basic services.

The 2015/2016 Operating Budget provides for the following variances on allocations:

Revenue

Total operating revenue increased from R 101,522 million in 2014/15 to R 120,569 million 2015/2016 (18.7%)

Major contributing items are:

- An increased allocation in respect of the National Equitable Share allocation (from R 67.26 million (2014/15) to R75.58 million (2015/16)
- An increase in allocation in respect of the D O E allocation (from R 0.00million (2014/15) to R 8.00million (2015/16)

Revenue sources:

	2014/2015 Budget R	2015/2016 Budget R	Year on year
Property Rates tax	3,220,438	3,220,438	0.0%
Rentals	103,350	122,798	18.81%
Services charges – Refuse	195,000	180,000	-7.69%
Interest earned – investments	5,000,000	5,000,000	0.0S%
Grants & Subsidies	71,524,000	81,921,000	14.53%
Grants & Subsidies – capital	21,401,000	30,051,000	40.41%
Grants & Subsidies – capital Roll Over	0,00	0.00	0.0%
Other Revenue	78,000	75,000	6,60%
Total Revenue	**101,521,788**	**120,569,236**	**18.76%**

Reasons for significant Revenue variances:

- Rental increased due to new contracts.
- Property rates has not been increased until the Municipality is able to implement a suitable system to facilitate debt collection. Budget has been provided for the system .
- Services charges decreased due to incorrect billing to vacant land.
- Interest on Investments is due to the slow pace of capital expenditure.
- Grants- Dora allocations increased.
- Other revenue increased due to history on tender documents.

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.
Average Tariff increases for 2015/16, 2016/17 and 2017/18:

	2015/16 %	2016/17 %	2017/2018 %
Rates	0.0	5.0	5.0
Refuse Removal	0.0	5.0	5.0

Rates
The tariff increase is 0.0%

Solid Waste
An average tariff increase of 0.0%.

c. Capital Budget

The Capital Budget increased from R 43,562 million in 2014/15 to R 60,016 million in 2015/16. This is an overall decrease of 37.70% which can be attributed by various factors.

- Increased allocations made by National and Provincial spheres of Government for the Roads and electrification.

	2014/15 Budget R	**2015/16 Budget R**	**Increase/Decrease R**
Capital Grants	**21,401,000**	**30,051,000**	**8,647,000**
Total	**21,401,000**	**30,051,000**	**8,647,000**

Major capital expenditure is planned in the following areas during the 2015/16 financial year:

Roads –	R 30,304,000
Halls	R 2,347,000
Buildings –	R 8,710,000
Computer Equipment	R 105,000
Renewal Existing Buildings.	R 2,510,000
Other –	R 16,040,000

The most significant projects are in: Technical Directorate:

- Roads Services:
  Rural Roads & Bridges
- Renewal Existing Assets
- Halls
- Buildings
- Other-
  Computer Equipment
  Office Equipment

New projects (extract) in the 2015/16 Capital Budget:

Project Description	2015/2016 Budget R
Halls	5,047,000
Roads	21,304,000
Buildings	6,200,000
Renewal Existing Buildings	2,510,000
Renewal Existing Roads	8,000,000
Electrification Project	8,000,000
Computer Equipment	105,000
Office Equipment	150,000
Other	8,700,000

3. ANNUAL BUDGET TABLES

Budget schedules to be approved by resolution of Council

Table A1 - Budget Summary
Table A2 - Budgeted Financial Performance (Revenue and Expenditure by classification
Table A3 - Budgeted Financial Performance (Revenue and expenditure by municipal vote)
Table A4 - Budgeted Financial Performance (Revenue and Expenditure)
Table A5 - Budgeted Capital Expenditure by vote, standard classification and Funding
Table A6 - Budgeted Financial Position
Table A7 - Budgeted Cash Flows
Table A8 - Cash backed reserves/accumulated surplus reconciliation
Table A9 - Asset Management
Table A10 - Basic service delivery measurement

4. OVERVIEW OF ANNUAL BUDGET PROCESS

a. Budget Process Overview

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

In line with the above requirements, the budget process for the 2015/2016 MTREF period proceeded/will proceed according to the following timeline:

31 March 2015 Draft Budget

Submit Draft budget, tariffs, SDBIP's to budget committee and Exco for recommendation to Council.

Submit Draft IDP to Exco for recommendation to Council

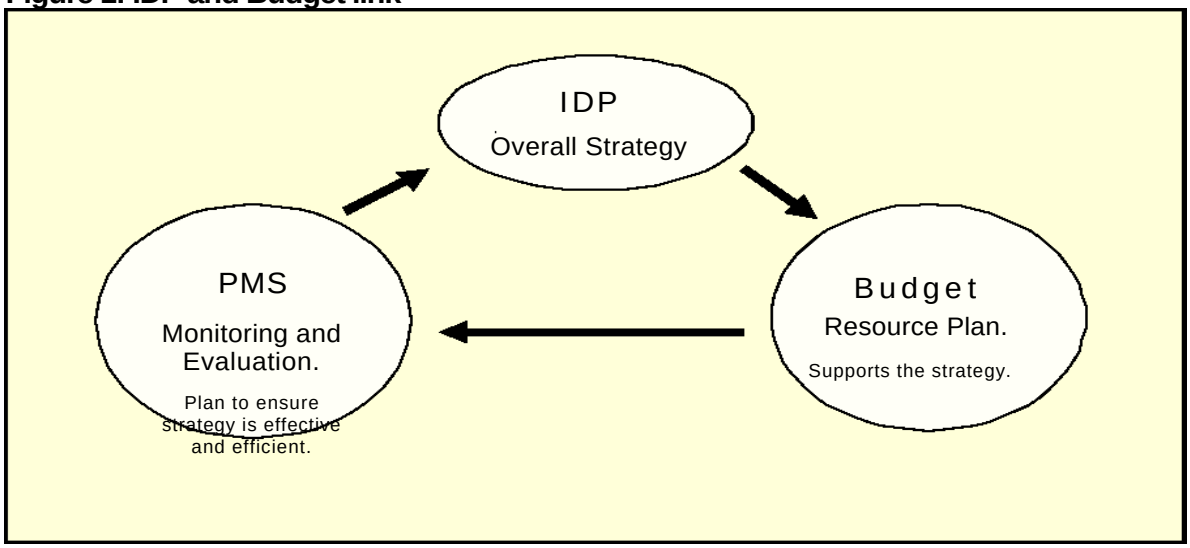
b. Integration of the review of the IDP and the preparation of the Budget

The IDP is the principal strategic planning instrument that guides and informs its planning, management and development actions. This visionary framework is rolled out into objectives, key performance indicators (KPIs) and targets for implementation.

These are then broken down into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.

The IDP also informs the municipality's performance management system, as the KPIs are monitored and must be reported on every quarter.
The figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded towards through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the municipality.

Figure 1: IDP and Budget link



c. Consultation with the community and key stakeholders

The IDP public engagement was held from January 2015 to March 2015.

The tabled budget will be provided to the National and Provincial Treasury for their assessment in accordance with S23 of the MFMA in April 2015.

d. Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

There was no IDP and Budget plan due to management challenges which are dealt with elsewhere.

DATE	ACTIVITY	RESPONSIBILITY
31 March 2015	**Draft Budget** Submit Draft multi-term operational and capital budget, SDBIP to Council, National and Provincial Treasury, DCGTA Advertise draft budget and tariffs for comment Submit Draft IDP to Council, National and Provincial Treasury & COGTA	**CFO** **MFAS** **IDP Manager**
7 April – 25 April 2015	**Public Consultation Process** Public Consultation on Draft budget throughout municipality Public Consultation on Draft IDP Advertise both budget and IDP for comment	**MAYOR** **EXCO** **MM** **IDP Manager**
30 April 2015	**Respond to Public Comments** Response to public comments and sector comments. Incorporate recommendations into Draft budget and IDP if possible and feasible	**MAYOR** **MFAS**
29 May 2015	**Approval of Final Draft Budget** Approve the Draft multi-term operational and capital budget Approve the Draft IDP	**COUNCIL**

10 June 2015	**Advertising** Publication of approved budget. Place on web site Publication of approved IDP. Place on web site	**MM** **MFA** **S**

"To make the people of Indaka enjoy the most improved quality of life and community-driven services by 2020"

MISSION

Indaka Municipality commits to the following:

- **Creating an environment conducive to economic development and growth.**
- **Making Indaka area a safe and vibrant place to live and work in.**
- **Improved service delivery.**
- **Good governance.**

10 June 2015	**Submission of Budget** Submit approved budget to National and Provincial Treasury and COGTA. Submit approved IDP to National and Provincial Treasury and COGTA	**MFAS** **IDP Manager**
28 July 2015	**Finalise SDBIP** Finalise service delivery and budget implementation plan(SDBIP) and submit to Council for approval	**MAYO** **R MM**

5. OVERVIEW OF THE MUNICIPALITY'S INTEGRATED DEVELOPMENT PLAN

a The Vision of the Municipality

The Municipality's long term vision is:

b The 5-Year IDP and Strategic Focus Areas

On 1 July 2012, the Indaka Municipality implemented a new five-year IDP for the period July 2012 to June 2017 to inform and guide the current elected public representatives in their term of office. This document is the last annual review of the IDP, and outlines the Municipality's intent in terms of the agreed strategic focus areas that are required to overcome Indaka challenges, achieve its vision, and give effect to its other strategic considerations.

- Low economic growth and unemployment
- Poor access to basic household services
- High levels of poverty
- Low levels of literacy and skills development
- The issue of HIV / AIDS and other diseases
- Exposure to unacceptably high level of crime and risk
- Unsustainable development practices
- Ineffective, inefficient, inward looking local government

LOCAL PRIORITIES

- To build a functionally efficient and local government structure
- To maintain financial stability and sustainability
- To create an integrated and efficient spatial structure
- To promote equitable access to infrastructure and basic services
- To improve the standard of living for the entire community of Indaka municipality
- To facilitate economic development and growth

The draft Integrated Development Plan is attached.

c Measurable performance objectives and indicators

The Municipality's measurable performance objectives, as reflected in Support Table SA7 of Schedule A the Municipal Budget and Reporting Regulations, are attached.

6. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Key financial indicators and ratios

Table SA8: Performance Indicators

KZN233 Indaka - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.7%	1.2%	0.9%	0.7%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & /Own Revenue	35.0%	10.9%	6.3%	6.8%	3.4%	3.4%	3.4%	4.3%	4.3%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl.	17.0%	-7.9%	-5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	631.1%	608.3%	533.9%	557.7%	496.8%	496.8%	496.8%	459.2%	424.1%	391.3%
Liquidity											
Current Ratio	Current assets/current liabilities	1.8	3.3	5.6	8.0	16.4	16.4	16.4	16.3	19.2	18.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	3.3	5.6	8.0	16.4	16.4	16.4	16.3	19.2	18.5
Liquidity Ratio	Monetary Assets/Current Liabilities	1.6	3.1	5.5	7.5	16.0	16.0	16.0	16.0	18.9	18.2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		78.7%	84.2%	62.2%	45.7%	69.5%	69.5%	69.5%	70.2%	67.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		78.7%	84.2%	62.2%	45.7%	69.5%	69.5%	69.5%	70.2%	67.3%	64.4%
Outstanding Debtors to Revenue	T O/Debtors to Annual Revenue	4.4%	7.4%	3.8%	4.1%	3.6%	3.6%	3.6%	2.4%	2.7%	3.2%
Creditors to Cash and Investments		29.5%	15.4%	17.0%	7.9%	4.4%	4.4%	4.4%	4.6%	3.9%	4.1%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	16.8%	13.8%	12.6%	16.5%	14.9%	14.9%	14.9%	13.2%	14.7%	16.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24.4%	28.4%	19.6%	23.5%	21.6%	21.6%		19.9%	22.2%	24.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.6%	0.0%	2.0%	1.5%	1.5%		1.2%	1.4%	1.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.2%	9.6%	13.7%	12.8%	14.0%	14.0%	14.0%	14.6%	16.2%	17.7%
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.2	1.0	2.4	1.1	1.1	1.1	1.7	1.7	1.7	1.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	244.0%	240.4%	109.8%	96.2%	82.0%	82.0%	82.0%	61.5%	63.5%	69.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.7	30.0	45.4	17.9	41.8	41.8	41.8	44.8	46.7	49.1

7. OVERVIEW OF BUDGET-RELATED POLICIES

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected, as well as cash backed accumulated funds from previous years and not committed for other purposes.

In addition, NT Circular 59 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source, as per the requirements of the MFMA (Chapter 4, S17 (1) (a) & (3) (b)).

1. Revenue related policies

2. General Tariff Policy

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA include the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy is attached.

Credit Control and Debt Collection Policy

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law. The Policy also includes the Indigent Policy .

3. Budget related policies

Approved policies

The following budget related policies have been approved by Council and is available on the Municipality's website.

- *Assessment (property) rates*
- Draft Budget Policy
- Asset management policy.
- Draft Credit Control and Debt Collection Policy .
- Integrated Development Plan.
- Banking and investment policy.
- SCM Policy
- Virement Policy

Reviewed/Amended policies

There have been no reviewed or amended policies this financial year.

8 OVERVIEW OF BUDGET ASSUMPTIONS

Environment in which the 2015/16 Budget was prepared

The MTREF/budget is susceptible to the economic climate and it is therefore vital that the projected economic condition is properly considered during the budget preparation process.

The 2015/2016 MTREF was drafted in context of a reviving economy. Negative impacts of the multi-year recession are however still experienced and reported by both the private and public sectors.

Key economic trends – 2004 to 2015 (Sourced from BER)

Macro-economic forcast

In the midst of the recession, GDP was at a deficit of 1.8%; the inflation rate at 11.85%; the R/$ exchange rate averaged at R 9.40 and interest rate levels averaged at around 4.8%.

The preparation of the 2014/20154 MTREF first draft produced much improved projections; for example - GDP at 2.7%.

Budgetary constraints and economic challenges meant that the Municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2014/2015 MTREF.

The draft budget for the 2015/2016 MTREF period, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in National Treasury Budget Circular 59,66,67,70,72,74&75 as well as a National Treasury presentation to municipalities.

The challenges that faced the Municipality in preparing the 2015/2016 MTREF included:

- In attempting to reduce the high Rates revenue parameter, several interventions to multiyear targets of both revenue and expenditure across services were required, while simultaneously retaining the strategic links to and focus on the draft IDP.
- Substantial, once-off revenue which cover semi-permanent expenditure obligations;
- Persistent staff costs increases over the medium term beyond CPI levels (with inflation linked Revenue increases in corresponding periods).
- The interventions applied to eradicate the above challenges included, amongst others:

Financial modeling

The Indaka Municipality MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. In addition, sustainability forms the basis of the preparation of the Operating and Capital Budgets. It sets out the economic context and assumptions that inform the compilation of the next three years' budget.

The principles applied to the MTREF in determining the affordability envelope were:

- Higher than headline CPI revenue increases, to the extent that they affect and support Council's operational activities of relevant services;
- Assumption of a 100% capital expenditure implementation.
- Higher than nationally projected inflation provisions for repairs and maintenance, to attain nationally benchmarked levels on this expenditure item, and ensure/enhance the preservation of the Municipality's infrastructure.

Key Financial Indicators in the 2014/2015 MTREF Budget

Headline Consumer Price Index (CPI) – Inflation

Outlook

Fiscal year	2014	2015	2016	2017	2018
	Actual	Estimate		Forecast	
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Headline CPI applied in the 2015/2016 MTREF is 4.8%, 5.9% and 5.6% respectively for the 3- year period. This differs somewhat from the CPI forecasts for the same period. The levels are within the NT and SARB CPI projections (3% to 6% range).

Budgetary allocations within the current financial year (2015/2016) were largely based on a CPI level of 4.8%. The MTREF outer years is proposed to remain at 5.9% and 5.6% respectively.

EXPENDITURE FRAMEWORK

Salaries, wages and related staff costs

The municipality's salary increases applied to the staff budget were as follows:

	BASE BUDGET 2015/2016 %	2015/2016 %	2016/2017 %	2017/2018 %
Salaries		**4.4**	**6.15**	**5.85**

Parameters applied to Staff Budget

The Municipality needs to take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. In the absence of a agreement provision was done in terms of Circular 75.
The average CPI for the period February 2013 to 31 January 2014 is 5.79 per cent which compares well to the estimate of 5.9 per cent for 2013 as provided for in the 2013 Medium Term Budget Policy Statement. The Municipality has been advised to provide for increases related to salaries and wages as follows:
2015/16 Financial Year – 4.4 per cent
2016/17 Financial Year – 6.15 per cent (5.90 per cent plus .25 per cent)
2017/18 Financial Year – 5.85 per cent (5.60 per cent plus .25 per cent)
It is recommended that the projected forecast in Circular 75 be applied to the 2016/17 and 2017/2018 financial years in the absence of a collective Salary and Wage agreement.

The Municipality's salary increase is below 4.4% because the vacant positions have no longer been budgeted for due to the Municipality merging with Ladysmith.

Remuneration of councillors

The Municipality budgeted for the actual costs approved in line with the latest Public Officer Bearers Act issued in December 2014 inclusive with the provision of an increase equal to the estimated CPI inflation over the MTEF.

General expenses

In MFMA Circular No. 70 the Municipality was strongly advised to take note of the Cabinet resolution of 23 October 2013 by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measures with effect of January 2014. The cost containment measures must be implemented to eliminate waste, reprioritize spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and event costs as well as costs for accommodation. Municipalities were subsequently strongly urged to take note of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

The general expenses base was increased from R 26,732 million to R 27,361 million taking into consideration the advice of the Cabinet resolution.

Repairs and Maintenance

The National Treasury Municipal Budget Circular for the 2015/2016 MTREF stated that "municipalities must "*secure the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance*". The Municipality has, over the last three financial years, consistently increased the investment in repairs and maintenance by above CPI.

REVENUE FRAMEWORK Service growth

The current unstable economic climate has restricted any material service growth.

Revenue growth parameters: Rates and trading services

No increases were applied to the 2015/16 MTREF which informs the tariff increases reflected in the Total Municipal Account (TMA):

Revenue growth parameters: Rates and trading services

Ensuring an affordable and sustainable budget necessitated a higher than CPI year-on-year revenue growth to be applied to the Rates and Trading services.

The following revenue parameter increases were applied to the 2015/16 MTREF which informs the tariff increases reflected in the Total Municipal Account (TMA):

- *Rates*: With the backdrop of the current economic climate and other cost pressures negatively impacting on the budget, the rates revenue increase was 0.0%.

- *Refuse Removal:* This revenue parameter increase was model at 0.0%.

The revenue parameters applied will generate the following revenue parameters:

REVENUE CATEGORY	ADJUSTMENT BUDGET 2014/2015 R'000	ORGANIC GROWTH PARAMETERS	AVERAGE TARIFF INCREASE	2015/2016 BUDGETED REVENUE R'000
Rates	**2,3220,438**	**5.6%**	**0.0%**	**3,220,438**
Refuse	**195,000**	**5.6%**	**0.0%**	**180,000**

Collection rate

In accordance with relevant legislation and national directives, the Municipality's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the working capital reserve the following collection ratios were applied as per the table below.

SERVICE	BASE BUDGET 2014/15 %	2015/16 %	2016/17 %	2017/18 %
Rates and Services	**12.00**	**15.0**	**18.0**	**20.0**

Projected collection rates

The total collection rate for 2015/2016 averages 15.0% and is based on a combination of actual collection rates achieved to date and the estimated outcomes for the current financial period. The projections for the outer years remained stable.

NATIONAL GRANTS

Equitable Share

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it. The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities' own revenue sources for the provision of basic services to poor households within their areas of jurisdiction. The equitable share per municipality is calculated using the following equation:

Equitable Share equation

Initiatives are currently being pursued to assess the application of the equation for the Indaka Municipality to ensure that the allocation received by Indaka is equitable and fair. The annual Division of Revenue Act (DORA) publishes the equitable share allocations. The following indicative allocations, as published in the 2015/2016 DORA, were provided as follows:

- 2015/2016 – R 75,580 million
- 2016/2017 – R 73,830 million
- 2017/2018 – R 70,701 million

Interest rates

Average interest rates over the 2015/2016 MTREF period Interest on investments – 6.8%.

Depreciation

Depreciation was calculated on a straight line method based on the lifespan of the asset class and capitalization date. For multi-year projects it was assumed that capitalization will only take place when the project is completed and depreciation will take effect then.

9. OVERVIEW OF BUDGET FUNDING

1 . 2015/2016 and 2016/2017 to 2017/2018 projected financial performance

11. Operating Budget

Total operating revenue increased from R 101,521,788 million in 2014/15 to R 120,569,236 million 2015/2016 (18.76%)

1.2. Capital Budget

The Capital Budget increased from R 43,562 million in 2014/15 to R 60,016 million in 2015/16. This is an overall decrease of 37.7.0% which can be attributed by various factors.

Major capital expenditure is planned in the following areas during the 2014/15 financial year:

- Roads – R 21,304,000
- Halls R 5,047,000
- Buildings – R 6,200,000
- Office Equipment R 150,000
- Computer Equipment R 105,000
- Renewal Existing Buildings. R 2,510,000
- Renewal Existing Roads R 8,000,000
- Electrification Project R 8,000,000
- Other – R 8,700,000

The most significant projects are in: Technical Directorate:

Roads Services:
Rural Roads & Bridges
Renewal Existing Assets
Halls
Buildings
Other-
Computer Equipment
Office Equipment

2 . Medium Term Outlook: 2015/2016 to 2017/2018

Operating Budget

The table below reflects the increase in the operating budget in the medium term:

	2015/2016 R	2016/2017 R	2017/2018 R
Operating Budget	63,092,656	66,860,122	70,652,055

Capital Budget

The table below reflects the capital budget and its funding sources in the medium term:

	2014/2015 R	2015/2016 R	2016/2017 R
Capital Budget	43,562,000	60,016,000	43,497,500
Funding Source:			
MIG	21,401,000	22,051,000	21,787,000
DOE		8,000,000	
Own Revenue	22,639,000	29,965,000	21,710,500

The funding sources listed below are appropriated towards the following major projects on the capital budget:

National Grant Funded

- Rural Roads and Bridges
- Electrification of Houses

Own Revenue

- Own Revenue

3. Sources of Funding

Rates, tariffs and other charges

Property Tax Rates

The proposed property rates are to be levied in accordance with existing Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The proposed average rates increase is 0.0% for all categories of Properties.

Property tax rates are based on values indicated in the General Valuation Roll 2011(GV).

The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. All values are as at the date of the GV, being 1 July 2011.

Rebates and concessions are granted to certain categories of property usage and/or property

owner.

The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 7.

Management

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers. It is proposed that the Tariffs increase (within CPI) by 0.0%.

The New/Changed Tariffs and amendments to the existing Tariff Policy are reflected in Annexure 5.

Tariffs and Charges Book

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, No. 56 of 2003, 17(a)(ii).

The Tariffs and Charges Book is attached as Annexure 4 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

An average growth parameter of 5.6% was applied to all the miscellaneous tariffs. All

Levies, Rates and Service Charges are determined in compliance with:

- Local Government Municipal Property Rates Act 2004
- Municipal Finance Management Act 56 of 2003
- Local Government Municipal Systems Act 32 of 2000

4. Investments

Monetary investments by maturity date

5. Long – Term investments and loans

No new borrowings are proposed for the MTEF budget period

6. Grant Allocations

National Allocations

The table below reflects the grant allocations in terms of the 2015 Division of Revenue Bill) that have been included in this medium term budget:

NATIONAL GRANTS	2015/2016 R	2016/2017 R	2017/2018 R
FINANCIAL MANAGEMENT GRANT	1,800,000	1,825,000	1,900,000
NATIONAL ELECTRIFICATION PROGRAMME	8,000,000		7,000,000
EQUITABLE SHARE	75,580,000	73,820,000	70,701,000
MUNICIPAL SYSTEMS IMPROVEMENT	930,000	957,000	1,033,000
MUNICIPAL INFRASTRUCTURE GRANT(MIG)	22,051,000	22,787,000	23,890,000
MUNICIPAL DEMARCATION TRANSITIONAL GRANT	1,857,000		
EXPANDED PUBLIC WORKS PROGRAM	1,000,000		
TOTAL	**111,218,000**	**99,389,000**	**104,524,000**

Provincial Allocations

The table below reflects the grants allocated in terms of the Provincial Gazette that have been included in this medium term budget:

PROVINCIAL GRANTS	2015/2016 R	2016/2017 R	2017/2018 R
PROVINCIALISATION OF LIBRARIES	553,000	582,000	612,000
COMMUNITY LIBRARY SERVICE GRANT	191,000	201,000	212,000
INFRASTRUCTURE- SPORT FACILITIES			
TOTAL	**744,000**	**783,000**	**824,000**

10. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Table SA 19

KZN233 Indaka - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		55,292	61,907	66,727	70,989	70,989	70,989	81,167	76,602	73,634
Local Government Equitable Share		53,002	59,607	63,187	67,255	67,255	67,255	75,580	73,820	70,701
Finance Management		1,500	1,500	1,650	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1,033
EPWP Incentive				1,000	1,000	1,000	1,000	1,000		
Municipal demarcation transition grant								1,857		
Provincial Government:		383	335	514	831	535	535	754	783	824
Sport and Recreation					150					
Library		383	335	514	681	535	535	754	783	824
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		55,675	62,242	67,241	71,820	71,524	71,524	81,921	77,385	74,458
Capital expenditure of Transfers and Grants										
National Government:		23,770	25,343	27,464	21,401	21,401	21,401	30,051	22,787	30,890
Municipal Infrastructure Grant (MIG)		16,770	20,343	20,464	21,401	21,401	21,401	22,051	22,787	23,890
Regional Bulk Infrastructure		7,000	5,000	7,000				8,000		7,000
Other capital transfers/grants [insert desc]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		23,770	25,343	27,464	21,401	21,401	21,401	30,051	22,787	30,890
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		79,445	87,585	94,705	93,221	92,925	92,925	111,972	100,172	105,348

11. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Section 67 grants are allocations of funds, from the Municipality's annual operating budget, to organizations or bodies outside any sphere of government. These allocations are gratuitous or unrequited transfers by the Municipality to the grantee organizations and are not payments made in compliance with any commercial or other business transaction.

They provide organizations with funds for carrying out projects, which assist the Municipality in exercising its Constitutional powers and functions which include any additional competencies that may be assigned to the Municipality by National or Provincial Government.

Section 16(2) of the MFMA provides that the mayor must table the annual budget at a Council meeting at least 90 days before the start of a budget year whilst Section 17(3) (j) (iv) provides that when that budget is tabled it must include particulars of any proposed allocations or grants to any organization or body referred to in Section 67.

12. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.

Table SA30

KZN233 Indaka - Supporting Table SA30
Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	1	2,302	0	2	1	1	0	9	1	1	1	1	2,320	2,320	2,320
Service charges - refuse revenue	1	1	0	1	0	1	1	1	0	0	0	1	8	8	8
Service charges - other												–	–	–	–
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	127	127	127
Interest earned - external investments	417	417	417	417	417	417	417	417	417	417	417	417	5,000	5,000	5,000
Transfer receipts - operational												81,921	81,921	77,385	74,458
Other revenue	6	6	6	6	6	6	6	6	6	6	6	6	70	71	71
Cash Receipts by Source	435	2,737	434	435	434	435	434	444	434	434	435	82,356	89,446	84,911	81,984
Other Cash Flows by Source															
Transfer receipts - capital												30,051	30,051	22,787	30,890
Contributions recognised - capital & Contributed assets												–			
Total Cash Receipts by Source	435	2,737	434	435	434	435	434	444	434	434	435	112,407	119,497	107,698	112,874
Cash Payments by Type															
Employee related costs												11,911	11,911	12,643	13,383
Remuneration of councillors												6,064	6,064	6,437	6,813
Finance charges												180	180	191	201
Other materials												–			
Contracted services												8,896	8,896	9,421	9,949
Transfers and grants - other municipalities												–			
Transfers and grants - other												1,000	1,000	1,059	1,118
Other expenditure												18,738	18,738	19,844	20,955

Cash Payments by Type	–	–	–	–	–	–	–	–	–	–	–	46,789	46,789	49,594	52,419
Other Cash Flows/Payments by Type															
Capital assets												60,016	60,016	43,498	43,732
Repayment of borrowing												190	190	190	190
Other Cash Flows/Payments												–			
Total Cash Payments by Type	–	–	–	–	–	–	–	–	–	–	–	106,995	106,995	93,282	96,342
NET INCREASE/(DECREASE) IN CASH HELD	435	2,737	434	435	434	435	434	444	434	434	435	5,412	12,502	14,416	16,533
Cash/cash equivalents at the month/year begin:	122,055	122,491	125,228	125,661	126,097	126,531	126,966	127,400	127,843	128,277	128,711	129,146	122,055	134,557	148,973
Cash/cash equivalents at the month/year end:	122,491	125,228	125,661	126,097	126,531	126,966	127,400	127,843	128,277	128,711	129,146	134,557	134,557	148,973	165,506

The rates and service charges estimated revenue was based on the previous years' trend. Most of the revenue collected from rates is from the Department of Public Works.

Rental collection, interest received, operational grants and other income is calculated at 100% collection rate. This has also been calculated using the passed years' trends.

All expenditure has been calculated using the worst case scenario of 100%.

13. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Table SA23

KZN233 Indaka - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		587,307					587,307
Chief Whip								–
Executive Mayor			728,045					728,045
Deputy Executive Mayor			587,307					587,307
Executive Committee			629,255					629,255
Total for all other councillors			3,531,931					3,531,931
Total Councillors	8	–	6,063,845	–	–			6,063,845
Senior Managers of the Municipality	5							
Municipal Manager (MM)			780,421	1,943	27,562			809,926
Chief Finance Officer			663,358	1,948	22,550			687,857
Corporate Services			608,931	1,948	22,550			633,429
Technical			663,358	1,948	22,550			687,857
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	2,716,068	7,787	95,213	–		2,819,068
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	8,779,913	7,787	95,213	–		8,882,913

14. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS INTERNAL DEPARTMENTS

In terms of Section 53 (1) (c) (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following –

(a) Projections for each month of

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter, and

(c) Other matters prescribed.

The Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days of the date of approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month, and the service delivery targets and performance indicators as set out in the SDBIP, are made public within 14 days of its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes, which will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012 (the Municipal financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of the financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Directors, the Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipal Government. For the 2015/2016 financial year, the SDBIP will be approved by the Mayor following approval of the Budget.

15. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Table SA33

The Municipality is merging with Ladysmith and may not enter into contracts with future budgetary implications

16. RECONCILIATION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET

Table A6

KZN233 Indaka - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
To promote good governance and Efficient Administration		A		2,285	40		389	389	389			
Institutional development and transformation.		B		782	–		15,450	15,450	15,450	1,165	142	149
To promote good financial management and viability		C		191	70		275	275	275	245		
Promote social and economic development		D		7	–		–	–	–			
To provide and promote access to public infrastructure and facilities		E		20,059	22,712	23,634	27,926	27,448	27,448	29,334	37,000	33,890
to promote community safety and facilities		F								21,272	6,356	2,693
To promote infrastructure for community welfare.		G								8,000		7,000
Allocations to other priorities			3									
Total Capital Expenditure			1	23,324	22,822	23,634	44,040	43,562	43,562	60,016	43,498	43,732

17. LEGISLATION COMPLIANCE STATUS

1 Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office -** A budget office and Treasury office has been established in accordance with the MFMA.
- **Budgeting -** The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **Financial reporting -** 100% compliance with **r**egards to monthly, quarterly and annual reporting to the Mayor, Executive Committee, Council, Provincial and National Treasury.
- **Annual Report -** The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Internship Programme -** The Municipality, in participating in the Municipal Finance Management Internship Programme, has employed five interns to undergo training in various finance departments.

18. NATIONAL TREASURY DIRECTIVES

Key issues addressed in National Treasury Circular 58,59,66,67,70,72,74 & 75 Municipal Budget Circular for the 2015/2016 MTREF

19. CAPITAL EXPENDITURE DETAILS

Table A36

Municipal Vote/Capital project	Ref	Asset Class	Asset Sub-Class	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	4	3	3	Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality:								
List all capital projects grouped by Municipal Vote								
OFFICE EQUIPMENT			*Furniture and other office equipment*	23,634		150	75	75
COMPUTER EQUIPMENT			*Computers - hardware/equipment*					
Munsoft fieldworker			*Computers - hardware/equipment*			200	–	–
Desk top computers x 4			*Computers - hardware/equipment*					
Corporate services			*Computers - hardware/equipment*			15	–	–

Technical services			*Computers - hardware/equipment*			15	–	–
Finance			*Computers - hardware/equipment*			30	–	–
LAPTOPS X 3								
Corporate services			*Computers - hardware/equipment*			15	–	–
Technical services			*Computers - hardware/equipment*			15	–	–
Finance			*Computers - hardware/equipment*			15	–	–
RENEWAL EXISTING BUILDINGS								
Ekuvukeni community hall - ward 5			*Community halls*			400	420	441
Sassa and iec hired buildings - ward 5			*Other Buildings*			135	142	149
Makhhasi community hall - ward 2			*Community halls*			340	357	375
Uitvaal creche - ward 2			*Other*			385	404	424
Stanford creche - ward 3			*Other*			510	536	562
Mngwenya creche - ward 8			*Other*			325	341	358
Oqungweni community hall - ward 9			*Community halls*			415	436	458
EXCESS TO MUNICIPAL PARKING			*Other Buildings*			1,000	–	–
RENEWAL EXISTING ROADS.			*Roads, Pavements & Bridges*			8,000	9,000	10,000
Ekuvukeni tar road .5 km - ward 5			*Roads, Pavements & Bridges*			2,000	–	–
Kwamhlongo TO kwasithole TAR ROAD			*Roads, Pavements & Bridges*			9,300	–	–
Access roads			*Roads, Pavements & Bridges*			–	10,000	–
Sport facility ward 1			*Sportsfields & stadia*			4,000	–	–
Kwamteyi HALL			*Community halls*			2,700	–	–
Isibindi to dalkosi road			*Roads, Pavements & Bridges*			5,000	–	–
Emanseleni road (afa)			*Roads, Pavements & Bridges*			5,004	–	–
Multi purpose centre - ward 4			*Recreational facilities*			3,500	–	–
Arts and craft centre community park - ward 5			*Other*			6,200	–	–
Nogejane hall - ward 9			*Community halls*			2,347	–	–
Okhozini road - ward 10			*Roads, Pavements & Bridges*			–	9,000	–
High mast lights limehill ward 2			*Street Lighting*			–	–	–
Acces roads - ward 3			*Roads, Pavements & Bridges*			–	9,000	–
Machiibini community hall - ward 8			*Community halls*			–	3,787	–
Ehlonyane road - ward 9			*Roads, Pavements & Bridges*			–	–	11,000
NQOLENI TO kwakhomu ROAD- WARD			*Roads, Pavements & Bridges*			–	–	12,890
INTEGRATED ELECTRIFICATION GRANT (MUNICIPALITIES)			*Transmission & Reticulation*			8,000	–	7,000
Parent Capital expenditure	1					60,016	43,498	43,732
Entities: *List all capital projects grouped by Entity*								
Entity A Water project A								
Entity B Electricity project B								
Entity Capital expenditure				–	–	–	–	–
Total Capital expenditure				23,634	–	60,016	43,498	43,732

20. OTHER SUPPORTING DOCUMENTS

Table A1 to A10

KZN233 Indaka - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	841	1,777	2,189	3,057	3,220	3,220	3,220	3,220	3,364	3,522
Service charges	168	179	222	175	195	195	195	180	190	200
Investment revenue	936	1,790	3,876	2,500	5,000	5,000	5,000	5,000	5,000	5,000
Transfers recognised - operational	57,361	61,826	66,851	71,820	71,524	71,524	71,524	81,921	77,385	74,458
Other own revenue	180	172	216	172	181	181	181	197	198	198
Total Revenue (excluding capital transfers and contributions)	59,486	65,744	73,355	77,724	80,121	80,121	80,121	90,518	86,136	83,378
Employee costs	10,001	9,101	9,257	12,854	11,918	11,918	11,918	11,911	12,643	13,383
Remuneration of councillors	4,586	4,780	5,125	5,785	5,785	5,785	5,785	6,064	6,437	6,813
Depreciation & asset impairment	3,346	6,084	9,806	9,750	11,125	11,125	11,125	13,000	13,767	14,538
Finance charges	348	255	214	230	125	125	125	180	191	201
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	5,689	2,503	3,294	1,000	1,000	1,000	1,000	1,000	1,059	1,118
Other expenditure	19,906	13,759	15,406	25,304	27,807	27,807	27,807	28,334	30,006	31,687
Total Expenditure	43,875	36,482	43,102	54,923	57,760	57,760	57,760	60,489	64,103	67,740
Surplus/(Deficit)	15,611	29,262	30,252	22,801	22,361	22,361	22,361	30,029	22,034	15,638
Transfers recognised - capital	20,560	21,218	22,986	21,401	21,401	21,401	21,401	30,051	22,787	30,890
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	36,171	50,479	53,239	44,202	43,762	43,762	43,762	60,080	44,821	46,528
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	36,171	50,479	53,239	44,202	43,762	43,762	43,762	60,080	44,821	46,528
Capital expenditure & funds sources										
Capital expenditure	23,324	22,822	23,634	44,040	43,562	43,562	43,562	60,016	43,498	43,732
Transfers recognised - capital	20,380	20,777	20,445	21,401	21,401	21,401	21,401	30,051	22,787	30,890
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2,943	2,045	3,189	22,639	22,161	22,161	22,161	29,965	21,711	12,842
Total sources of capital funds	23,324	22,822	23,634	44,040	43,562	43,562	43,562	60,016	44,498	43,732
Financial position										
Total current assets	30,549	67,819	106,002	52,746	125,190	125,190	125,190	136,856	154,881	165,506
Total non current assets	56,867	73,263	88,810	115,532	120,858	120,858	120,858	167,874	197,605	226,799
Total current liabilities	17,219	20,446	18,912	6,560	7,637	7,637	7,637	8,417	8,047	8,957
Total non current liabilities	4,625	4,612	4,907	5,713	4,927	4,927	4,927	5,027	5,139	5,262

Community wealth/Equity	65,571	116,025	170,993	156,005	233,484	233,484	233,484	301,302	339,300	378,085
Cash flows										
Net cash from (used) operating	46,956	57,770	64,435	28,984	41,826	41,826	41,826	72,708	58,103	60,455
Net cash from (used) investing	(20,559)	(22,561)	(23,605)	(44,040)	(43,562)	(43,562)	(43,562)	(60,016)	(43,498)	(43,732)
Net cash from (used) financing	105	(335)	(364)	(169)	(169)	(169)	(169)	(190)	(190)	(190)
Cash/cash equivalents at the year end	27,883	62,758	103,173	49,297	122,055	122,055	122,055	134,557	148,973	165,506
Cash backing/surplus reconciliation										
Cash and investments available	28,138	62,758	103,174	49,297	122,055	122,055	122,055	134,557	152,487	162,752
Application of cash and investments	20,250	19,146	20,225	9,365	11,087	10,403	10,403	11,730	11,523	12,301
Balance - surplus (shortfall)	7,888	43,611	82,949	39,932	110,969	111,652	111,652	122,827	140,964	150,451
Asset management										
Asset register summary (WDV)	56,613	73,263	88,810	115,532	120,858	120,858	167,874	167,874	197,605	226,799
Depreciation & asset impairment	3,346	6,084	9,806	9,750	11,125	11,125	13,000	13,000	13,767	14,538
Renewal of Existing Assets	–	15,053	21,004	36,747	34,936	34,936	34,936	11,510	11,636	12,767
Repairs and Maintenance	–	386	–	1,540	1,200	1,200	1,128	1,128	1,195	1,261
Free services										
Cost of Free Basic Services provided	47	47	47	47	47	47	47	47	47	47
Revenue cost of free services provided	4,159	4,295	3,423	4,862	4,604	4,604	3,837	3,837	3,837	3,837
Households below minimum service level										
Water:	7	7	7	7	7	7	7	7	7	7
Sanitation/sewerage:	5	5	5	5	5	5	5	5	5	5
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	20	20	20	20	20	20	20	20	20	20

KZN233 Indaka - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		58,637	65,744	72,592	76,399	78,946	78,946	88,570	85,149	82,338
Executive and council		1,408	2,491	3,139	3,646	3,646	3,646	3,823	4,000	4,181
Budget and treasury office		56,912	62,990	68,939	72,072	74,765	74,765	84,624	81,026	78,035
Corporate services		318	263	514	681	535	535	123	123	123
Community and public safety		–	–	–	–	–	–	768	798	840
Community and social services		–	–	–	–	–	–	768	798	840
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		21,409	21,218	23,749	22,551	22,401	22,401	31,051	22,787	30,890
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		21,409	21,218	23,749	22,551	22,401	22,401	31,051	22,787	30,890
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	175	175	175	180	190	200
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	175	175	175	180	190	200
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	80,046	86,962	96,341	99,125	101,522	101,522	120,569	108,923	114,268
Expenditure - Standard	-									
Governance and administration		29,864	26,930	33,617	40,733	45,117	45,117	48,081	50,951	53,840

Executive and council		6,108	7,553	8,345	9,716	9,586	9,586	10,121	10,737	11,358
Budget and treasury office		12,454	12,724	16,121	15,688	21,622	21,622	25,022	26,506	27,999
Corporate services		11,303	6,653	9,150	15,329	13,909	13,909	12,938	13,709	14,484
Community and public safety		–	–	–	–	–	–	1,667	1,767	1,868
Community and social services		–	–	–	–	–	–	1,667	1,767	1,868
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		14,012	9,552	9,486	14,190	12,643	12,643	9,531	10,103	10,679
Planning and development		3,012	1,329	2,343	2,302	1,947	1,947	1,211	1,285	1,359
Road transport		11,000	8,222	7,143	11,888	10,696	10,696	8,319	8,818	9,320
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	1,210	1,281	1,353
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	1,210	1,281	1,353
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	43,875	36,482	43,102	54,923	57,760	57,760	60,489	64,103	67,740
Surplus/(Deficit) for the year		36,171	50,479	53,239	44,202	43,762	43,762	60,080	44,821	46,528

KZN233 Indaka - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Council & Executive		1,408	2,491	3,139	3,646	3,646	3,646	3,823	4,000	4,181
Vote 2 - Budget & Treasury		56,912	62,990	68,939	72,072	74,765	74,765	84,624	81,026	78,035
Vote 3 - Corporate Services		318	263	514	681	535	535	123	123	123
Vote 4 - Community Services		–	–	–	–	–	–	768	798	840
Vote 5 - Development & Planning		–	–	–	–	–	–	–	–	–
Vote 6 - Roads		21,409	21,218	23,749	22,551	22,401	22,401	31,051	22,787	30,890
Vote 7 - Waste Management		–	–	–	175	175	175	180	190	200
Vote 8 - Electrification		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	80,046	86,962	96,341	99,125	101,522	101,522	120,569	108,923	114,268
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Council & Executive		6,108	7,553	8,345	9,716	9,586	9,586	10,121	10,737	11,358
Vote 2 - Budget & Treasury		12,454	12,724	16,121	15,688	21,622	21,622	25,022	26,506	27,999
Vote 3 - Corporate Services		11,303	6,653	9,150	15,329	13,909	13,909	12,938	13,709	14,484
Vote 4 - Community Services		–	–	–	–	–	–	1,667	1,767	1,868
Vote 5 - Development & Planning		3,012	1,329	2,343	2,302	1,947	1,947	1,211	1,285	1,359
Vote 6 - Roads		11,000	8,222	7,143	11,888	10,696	10,696	8,319	8,818	9,320
Vote 7 - Waste Management		–	–	–	–	–	–	1,210	1,281	1,353
Vote 8 - Electrification		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–

Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	43,875	36,482	43,102	54,923	57,760	57,760	60,489	64,103	67,740
Surplus/(Deficit) for the year	2	36,171	50,479	53,239	44,202	43,762	43,762	60,080	44,821	46,528

KZN233 Indaka - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Council & Executive		1,408	2,491	3,139	3,646	3,646	3,646	3,823	4,000	4,181
Vote 2 - Budget & Treasury		56,912	62,990	68,939	72,072	74,765	74,765	84,624	81,026	78,035
Vote 3 - Corporate Services		318	263	514	681	535	535	123	123	123
Vote 4 - Community Services		–	–	–	–	–	–	768	798	840
Vote 5 - Development & Planning		–	–	–	–	–	–	–	–	–
Vote 6 - Roads		21,409	21,218	23,749	22,551	22,401	22,401	31,051	22,787	30,890
Vote 7 - Waste Management		–	–	–	175	175	175	180	190	200
Vote 8 - Electrification		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	80,046	86,962	96,341	99,125	101,522	101,522	120,569	108,923	114,268
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Council & Executive		6,108	7,553	8,345	9,716	9,586	9,586	10,121	10,737	11,358
Vote 2 - Budget & Treasury		12,454	12,724	16,121	15,688	21,622	21,622	25,022	26,506	27,999
Vote 3 - Corporate Services		11,303	6,653	9,150	15,329	13,909	13,909	12,938	13,709	14,484
Vote 4 - Community Services		–	–	–	–	–	–	1,667	1,767	1,868
Vote 5 - Development & Planning		3,012	1,329	2,343	2,302	1,947	1,947	1,211	1,285	1,359
Vote 6 - Roads		11,000	8,222	7,143	11,888	10,696	10,696	8,319	8,818	9,320
Vote 7 - Waste Management		–	–	–	–	–	–	1,210	1,281	1,353
Vote 8 - Electrification		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	43,875	36,482	43,102	54,923	57,760	57,760	60,489	64,103	67,740
Surplus/(Deficit) for the year	2	36,171	50,479	53,239	44,202	43,762	43,762	60,080	44,821	46,528

KZN233 Indaka - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Council & Executive		2,285	–	–	–	–	–	–	–	–	–
Vote 2 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		771	–	1,643	–	500	500	500	1,135	142	149
Vote 4 - Community Services		–	–	–	–	–	–	–	2,375	2,494	2,618
Vote 5 - Development & Planning		–	–	–	–	–	–	–	–	–	–
Vote 6 - Roads		20,059	22,712	19,361	40,576	34,436	34,436	34,436	8,000	9,000	10,000
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Electrification		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	23,115	22,712	21,004	40,576	34,936	34,936	34,936	11,510	11,636	12,767
Single-year expenditure *to be appropriated*	2										
Vote 1 - Council & Executive		–	–	21	49	–	–	–	–	–	–
Vote 2 - Budget & Treasury		191	70	303	430	559	559	559	245	–	–
Vote 3 - Corporate Services		11	40	564	61	3,842	3,842	3,842	30	–	–
Vote 4 - Community Services		–	–	–	–	–	–	–	18,897	3,862	75
Vote 5 - Development & Planning		7	–	–	24	–	–	–	–	–	–
Vote 6 - Roads		–	–	1,741	2,900	4,225	4,225	4,225	21,334	28,000	23,890
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Electrification		–	–	–	–	–	–	–	8,000	–	7,000
Capital single-year expenditure sub-total		209	110	2,630	3,464	8,626	8,626	8,626	48,506	31,862	30,965
Total Capital Expenditure - Vote		23,324	22,822	23,634	44,040	43,562	43,562	43,562	60,016	43,498	43,732
Capital Expenditure - Standard											
Governance and administration		3,247	110	2,532	540	4,901	4,901	4,901	1,410	142	149
Executive and council		2,285	–	21	49						
Budget and treasury office		191	70	303	430	559	559	559	245		
Corporate services		771	40	2,208	61	4,342	4,342	4,342	1,165	142	149
Community and public safety		11	–	–	–	–	–	–	21,272	6,356	2,693
Community and social services									17,272	6,356	2,693
Sport and recreation									4,000		
Public safety											
Housing		11									
Health											
Economic and environmental services		20,066	22,712	21,102	43,500	38,661	38,661	38,661	29,334	37,000	33,890
Planning and development		7			24	–	–	–			
Road transport		20,059	22,712	21,102	43,476	38,661	38,661	38,661	29,334	37,000	33,890
Environmental protection											
Trading services		–	–	–	–	–	–	–	8,000	–	7,000
Electricity									8,000		7,000
Water											
Waste water management											

Waste management											
Other											
Total Capital Expenditure - Standard	3	23,324	22,822	23,634	44,040	43,562	43,562	43,562	60,016	43,498	43,732
Funded by:											
National Government		20,380	20,777	20,445	21,401	21,401	21,401	21,401	30,051	22,787	30,890
Other transfers and grants											
Transfers recognised - capital	4	20,380	20,777	20,445	21,401	21,401	21,401	21,401	30,051	22,787	30,890
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		2,943	2,045	3,189	22,639	22,161	22,161	22,161	29,965	21,711	12,842
Total Capital Funding	7	23,324	22,822	23,634	44,040	43,562	43,562	43,562	60,016	44,498	43,732

KZN233 Indaka - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		1,581	20,743	60,826	9,367	9,367	9,367	9,367	4,573	12,487	12,752
Call investment deposits	1	26,303	42,014	42,348	39,930	112,688	112,688	112,688	129,984	140,000	150,000
Consumer debtors	1	244	1,221	1,779	1,313	999	999	999	1,191	1,486	1,897
Other debtors		285	3,666	980	1,888	1,888	1,888	1,888	980	850	785
Current portion of long-term receivables		2,082									
Inventory	2	54	175	69	248	248	248	248	128	58	72
Total current assets		30,549	67,819	106,002	52,746	125,190	125,190	125,190	136,856	154,881	165,506
Non current assets											
Long-term receivables											
Investments		254									
Investment property			277								
Investment in Associate											
Property, plant and equipment	3	56,613	72,986	88,810	115,532	120,858	120,858	120,858	167,874	197,605	226,799
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		56,867	73,263	88,810	115,532	120,858	120,858	120,858	167,874	197,605	226,799
TOTAL ASSETS		87,415	141,082	194,812	168,278	246,048	246,048	246,048	304,730	352,486	392,305
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	436	364	271	169	182	182	182	190	190	190
Consumer deposits		1	6	6	6	6	6	6			
Trade and other payables	4	16,531	19,507	18,452	5,885	7,376	7,376	7,376	8,227	7,857	8,767
Provisions		250	569	183	500	73	73	73			
Total current liabilities		17,219	20,446	18,912	6,560	7,637	7,637	7,637	8,417	8,047	8,957
Non current liabilities											
Borrowing		4,124	3,760	3,489	3,497	3,397	3,397	3,397	3,297	3,197	3,097
Provisions		501	852	1,419	2,215	1,530	1,530	1,530	1,730	1,942	2,165
Total non current liabilities		4,625	4,612	4,907	5,713	4,927	4,927	4,927	5,027	5,139	5,262
TOTAL LIABILITIES		21,844	25,057	23,820	12,273	12,564	12,564	12,564	13,444	13,186	14,220

NET ASSETS	5	65,571	116,025	170,993	156,005	233,484	233,484	233,484	291,286	339,300	378,085
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		64,918	115,407	170,339	155,378	232,800	232,800	232,800	300,584	338,546	377,294
Reserves	4	653	618	654	627	684	684	684	718	754	792
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	65,571	116,025	170,993	156,005	233,484	233,484	233,484	301,302	339,300	378,085

KZN233 Indaka - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		816	403	1,521	1,556	2,501	2,501	2,501	2,320	2,320	2,320
Service charges		–	–						8	8	8
Other revenue		120	1,387	113					197	198	198
Government - operating	1	80,796	85,878	66,851	71,820	71,524	71,524	71,524	81,921	77,385	74,458
Government - capital	1			22,986	21,401	21,401	21,401	21,401	30,051	22,787	30,890
Interest				3,876	2,500	5,000	5,000	5,000	5,000	5,000	5,000
Dividends									–	–	–
Payments											
Suppliers and employees		(34,422)	(29,142)	(27,405)	(67,063)	(57,475)	(57,475)	(57,475)	(45,609)	(48,345)	(51,100)
Finance charges		(354)	(255)	(214)	(230)	(125)	(125)	(125)	(180)	(191)	(201)
Transfers and Grants	1	–	(502)	(3,294)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,059)	(1,118)
NET CASH FROM/(USED) OPERATING ACTIVITIES		46,956	57,770	64,435	28,984	41,826	41,826	41,826	72,708	58,103	60,455
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			261						–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(20,559)	(22,822)	(23,605)	(44,040)	(43,562)	(43,562)	(43,562)	(60,016)	(43,498)	(43,732)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20,559)	(22,561)	(23,605)	(44,040)	(43,562)	(43,562)	(43,562)	(60,016)	(43,498)	(43,732)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		501	(161)	(169)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(396)	(174)	(195)	(169)	(169)	(169)	(169)	(190)	(190)	(190)
NET CASH FROM/(USED) FINANCING ACTIVITIES		105	(335)	(364)	(169)	(169)	(169)	(169)	(190)	(190)	(190)
NET INCREASE/ (DECREASE) IN CASH HELD		26,502	34,874	40,465	(15,225)	(1,905)	(1,905)	(1,905)	12,502	14,416	16,533
Cash/cash equivalents at the year begin:	2	1,382	27,883	62,708	64,523	123,961	123,961	123,961	122,055	134,557	148,973
Cash/cash equivalents at the year end:	2	27,883	62,758	103,173	49,297	122,055	122,055	122,055	134,557	148,973	165,506

KZN233 Indaka - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	27,883	62,758	103,173	49,297	122,055	122,055	122,055	134,557	148,973	165,506
Other current investments > 90 days		0	(0)	0	(0)	(0)	(0)	(0)	(0)	3,514	(2,754)
Non current assets - Investments	1	254	–	–	–	–	–	–	–	–	–
Cash and investments available:		28,138	62,758	103,174	49,297	122,055	122,055	122,055	134,557	152,487	162,752
Application of cash and investments											
Unspent conditional transfers		8,292	9,834	934	1,987	1,987	1,987	1,987	1,987	1,987	1,987
Unspent borrowing		4,124	3,760	3,489	3,497	3,397	3,397	3,397	3,297	3,297	3,097
Statutory requirements	2	10	(8)								
Other working capital requirements	3	7,823	5,561	15,802	2,435	3,382	3,382	3,382	4,716	4,297	5,051
Other provisions					819	1,636	1,636	1,636	1,730	1,942	2,165
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5				627	684					
Total Application of cash and investments:		20,250	19,146	20,225	9,365	11,087	10,403	10,403	11,730	11,523	12,301
Surplus(shortfall)		7,888	43,611	82,949	39,932	110,969	111,652	111,652	122,827	140,964	150,451

KZN233 Indaka - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	23,324	7,768	2,630	7,293	8,626	8,626	48,506	31,862	30,965
Infrastructure - Road transport		13,837	1,252	–	–	–	–	21,304	28,000	23,890
Infrastructure - Electricity		6,033	4,722	1,550	2,400	2,525	2,525	8,000	–	7,000
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	1,700	1,700	1,700	–	–	–
Infrastructure		*19,871*	*5,973*	*1,550*	*4,100*	*4,225*	*4,225*	*29,304*	*28,000*	*30,890*
Community		2,114	1,189	289	2,604	3,592	3,592	18,747	3,787	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		512	–	–	–	–	–	–	–	–
Other assets	6	827	606	621	589	809	809	455	75	75
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	170	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	15,053	21,004	36,747	34,936	34,936	11,510	11,636	12,767
Infrastructure - Road transport		–	14,885	19,361	33,747	34,436	34,436	8,000	9,000	10,000
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	*14,885*	*19,361*	*33,747*	*34,436*	*34,436*	*8,000*	*9,000*	*10,000*
Community		–	–	1,027	2,000	200	200	2,375	2,494	2,618
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	135	142	149
Other assets	6	–	169	616	1,000	300	300	1,000	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		13,837	16,136	19,361	33,747	34,436	34,436	29,304	37,000	33,890
Infrastructure - Electricity		6,033	4,722	1,550	2,400	2,525	2,525	8,000	–	7,000
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	1,700	1,700	1,700	–	–	–
Infrastructure		*19,871*	*20,858*	*20,911*	*37,847*	*38,661*	*38,661*	*37,304*	*37,000*	*40,890*
Community		2,114	1,189	1,316	4,604	3,792	3,792	21,122	6,281	2,618
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		512	–	–	–	–	–	135	142	149
Other assets		827	775	1,237	1,589	1,109	1,109	1,455	75	75
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	170	–	–	–	–	–	–

TOTAL CAPITAL EXPENDITURE - Asset class	2	23,324	22,822	23,634	44,040	43,562	43,562	60,016	43,498	43,732
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		47,104	66,587	54,618	149,550	120,585	120,585	167,874	197,605	226,799
Infrastructure - Electricity		6,033	4,722	11,837						
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other					(34,018)	273	273			
Infrastructure		*53,137*	*71,309*	*66,455*	*115,532*	*120,858*	*120,858*	*167,874*	*197,605*	*226,799*
Community		2,114	1,189	11,285						
Heritage assets		695								
Investment properties		–	277	–	–	–	–	–	–	–
Other assets		667	488	11,071						
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	56,613	73,263	88,810	115,532	120,858	120,858	167,874	197,605	226,799
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		3,346	6,084	9,806	9,750	11,125	11,125	13,000	13,767	14,538
Repairs and Maintenance by Asset Class	3	–	386	–	1,540	1,200	1,200	1,128	1,195	1,261
Infrastructure - Road transport		–	113	–	250	130	130	100	106	112
Infrastructure - Electricity		–	–	–	100	100	100	100	106	112
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	*113*	–	*350*	*230*	*230*	*200*	*212*	*224*
Community		–	–	–	25	25	25	70	74	78
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	274	–	1,165	945	945	858	909	960
TOTAL EXPENDITURE OTHER ITEMS		3,346	6,470	9,806	11,290	12,325	12,325	14,128	14,962	15,799
Renewal of Existing Assets as % of total capex		*0.0%*	*66.0%*	*88.9%*	*83.4%*	*80.2%*	*80.2%*	*19.2%*	*26.7%*	*29.2%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*247.4%*	*214.2%*	*376.9%*	*314.0%*	*314.0%*	*88.5%*	*84.5%*	*87.8%*
R&M as a % of PPE		*0.0%*	*0.5%*	*0.0%*	*1.3%*	*1.0%*	*1.0%*	*0.7%*	*0.6%*	*0.6%*
Renewal and R&M as a % of PPE		*0.0%*	*21.0%*	*24.0%*	*33.0%*	*30.0%*	*30.0%*	*8.0%*	*6.0%*	*6.0%*

KZN233 Indaka - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Piped water inside yard (but not in dwelling)		9,145	9,145	9,145	9,145	9,145	9,145	9,145	9,145	9,145
Using public tap (at least min.service level)	2	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Other water supply (at least min.service level)	4	477	477	477	477	477	477	477	477	477
Minimum Service Level and Above sub-total		13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147
Using public tap (< min.service level)	3	298	298	298	298	298	298	298	298	298
Other water supply (< min.service level)	4	216	216	216	216	216	216	216	216	216
No water supply		6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410
Below Minimum Service Level sub-total		6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
Total number of households	5	20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704
Flush toilet (with septic tank)		193	193	193	193	193	193	193	193	193
Chemical toilet		435	435	435	435	435	435	435	435	435
Pit toilet (ventilated)		6,051	6,051	6,051	6,051	6,051	6,051	6,051	6,051	6,051
Other toilet provisions (> min.service level)		5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Minimum Service Level and Above sub-total		15,183	15,183	15,183	15,183	15,183	15,183	15,183	15,183	15,183
Bucket toilet		182	182	182	182	182	182	182	182	182
Other toilet provisions (< min.service level)		912	912	912	912	912	912	912	912	912
No toilet provisions		3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795
Below Minimum Service Level sub-total		4,889	4,889	4,889	4,889	4,889	4,889	4,889	4,889	4,889
Total number of households	5	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072
Energy:										
Electricity (at least min.service level)		11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680
Electricity - prepaid (min.service level)										

Minimum Service Level and Above sub-total		11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680	11,680
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693
Using communal refuse dump		383	383	383	383	383	383	383	383	383
Using own refuse dump		11,905	11,905	11,905	11,905	11,905	11,905	11,905	11,905	11,905
Other rubbish disposal		105	105	105	105	105	105	105	105	105
No rubbish disposal		4,985	4,985	4,985	4,985	4,985	4,985	4,985	4,985	4,985
Below Minimum Service Level sub-total		20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071
Total number of households	5	20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071	20,071
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)			–	–	–	–	–	–	–	–
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)		1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408
Refuse (removed at least once a week)		2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		47	47	47	47	47	47	47	47	47
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		47	47	47	47	47	47	47	47	47
Highest level of free service provided										
Property rates (R value threshold)		45,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Water (kilolitres per household per month)					–					
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		567	567	567	632	632	632	632	632	632
Property rates (other exemptions, reductions and rebates)		3,592	3,206	2,359	2,205	1,972	1,972	2,205	2,205	2,205
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Electricity/other energy		–	–	–	1,000	1,000	1,000	1,000	1,000	1,000
Refuse			521	496	1,025	1,000	1,000			
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–

Other		–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)		4,159	4,295	3,423	4,862	4,604	4,604	3,837	3,837	3,837

Municipal manager's quality certificate

I …MUSA ISAAC MBONA…, acting municipal manager of Indaka Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Acting Municipal Manager of Indaka Local Municipality KZN 233

Signature _____

Date _____